



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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June 9, 2006

TO: Mayor Supervisor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **JEWISH VOCATIONAL SERVICES CONTRACT REVIEW – REFUGEE  
EMPLOYMENT PROGRAM**

We have conducted a program and fiscal contract review of Jewish Vocational Services (JVS or Agency), a Refugee Employment Program (REP or Program) service provider. The review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

**Background**

The Department of Public Social Services (DPSS) contracts with JVS, a private, non-profit, community-based organization to provide job-training and employment services to refugees who have resided in the United States for less than five years. The Agency's services include providing language, vocational and on-the-job work training and job seeking skills, assisting participants in retaining employment and paying for work related expenses such as transportation and union dues. The population that JVS serves resides in the Third District.

DPSS pays JVS a fixed fee for each type of service based on budgeted program costs and anticipated service levels. For Fiscal Year (FY) 2004-05, DPSS paid JVS approximately \$413,000 and has contracted for \$542,999 in services for FY 2005-06.

*"To Enrich Lives Through Effective and Caring Service"*

### **Purpose/Methodology**

The purpose of the review was to determine whether JVS has complied with its contract terms and appropriately accounted for and spent program funds in providing services to the refugees. We also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

### **Results of Review**

Overall, JVS provided services required by the County contract using the appropriate number of staff who possessed the qualifications required by the County contract. The program participants stated that the services they received from JVS generally met their expectations. In addition, the expenses that the Agency charged the program were allowable and properly documented.

### **Review of Report**

On May 16, 2006, we discussed our report with JVS management who concurred with our report. In their attached response JVS management indicates agreement with our report. We also notified DPSS of the results of our review.

We thank JVS for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Bryce Yokomizo, Director, Department of Public Social Services  
Claudia Finkel, Chief Operating Officer, Jewish Vocational Service  
Public Information Office  
Audit Committee

**REFUGEE EMPLOYMENT PROGRAM  
JEWISH VOCATIONAL SERVICES  
FISCAL YEAR 2005-2006**

**ELIGIBILITY**

**Objective**

Determine whether Jewish Vocation Services (JVS or Agency) provided services to individuals that meet the eligibility requirements of the Refugee Employment Program (REP or Program).

**Verification**

We reviewed documentation in case files for 154 (19%) of 801 program participants that were reported as receiving services for July, August and September 2005 to confirm the participants' eligibility for program services.

**Results**

All program participants in our sample were eligible to receive program services. JVS also maintained appropriate documentation to support the participants' eligibility to receive program services.

**Recommendation**

**There are no recommendations for this section.**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether JVS provided the services billed in accordance with their contract and the program participants received those services.

**Verification**

We reviewed the documentation contained in 154 (19%) of 801 program participant case files that received services in July, August and September 2005, to ensure that the services billed were provided in accordance with the County contract. We also interviewed 128 program participants to confirm the services JVS billed to DPSS were provided. Our sample represented \$33,875 (30%) of \$114,323 that JVS billed DPSS for the sample months.

**Results**

JVS appropriately provided language, vocational and on-the-job work training, job seeking skills, assisted in attaining employment and paid work related expenses such as transportation and union dues. In addition, the program participants stated that the services they received from JVS met their expectations.

**Recommendation**

There are no recommendations for this section.

**SERVICE/STAFFING LEVELS****Objectives**

Determine whether JVS' actual service and staffing levels do not significantly vary from planned levels.

**Verification**

We reviewed billing statements for July, August and September 2005 and compared them to the Agency's proposed service levels for the same periods. In addition, we interviewed staff and reviewed JVS's employee rosters.

**Results**

The Agency's reported service levels for the period decreased by approximately 40% due to a reduction in the number of participant cases DPSS referred to JVS. The Agency's actual staffing level of 8.7 full time equivalent staff remained at the planned level. Although staffing levels have not decreased in proportion to the service levels, the overall effect does not impact the level of services provided by the Agency or the corresponding rates charged. The Agency indicated that the staffing levels are monitored and if the changes in the service levels consistently remain low they will adjust their staffing level proportionately.

**Recommendation**

There are no recommendations for this section.

**STAFFING QUALIFICATIONS****Objective**

Determine whether JVS's staff possessed the qualifications required by the contract.

**Verification**

We reviewed the personnel files of all 12 (100%) staff for documentation to confirm staff qualifications.

**Results**

Each of JVS's staff possessed the required employment eligibility verification, training, reading, writing and speaking requirements identified in the contract.

**Recommendation**

**There are no recommendations for this section.**

**CASH/REVENUES****Objective**

Determine whether cash receipts are properly recorded in the contractor's records and deposited timely in the contractor's bank account. Determine whether bank reconciliations are properly prepared and reconciling items are valid and cleared in a timely manner. In addition, determine whether there are adequate controls over cash and the Agency is reporting all revenue sources as required.

**Verification**

We reviewed copies of the bank reconciliations prepared by the Agency for August 2005 and reviewed financial records to verify that the cash receipts were properly recorded and deposited timely. We also reviewed JVS's cash and revenue procedures.

**Results**

JVS properly recorded and deposited cash receipts timely in the Agency's bank account. JVS also performed monthly reconciliations to ensure adequate controls over cash. In addition, reconciling items were cleared in a timely manner. JVS reported all revenue as required per the County contract.

**Recommendation**

**There are no recommendations for this section.**

**EXPENDITURES/PROCUREMENT****Objective**

Determine whether program related expenditures are allowable under the County contract, properly documented, and accurately billed.

**Verification**

We interviewed Agency personnel, reviewed financial records, and reviewed documentation for five non-personnel expenditure transactions the Agency billed for August 2005 totaling \$9,102.

**Results**

JVS's expenses were allowable, accurately billed to DPSS and properly documented as required.

**Recommendation**

There are no recommendations for this section.

**INTERNAL CONTROLS****Objective**

To determine whether the contractor maintained sufficient internal controls over its business operations.

**Verification**

We interviewed Agency personnel, reviewed their policies and procedures manuals, and tested transactions in various areas such as expenditures, payroll and personnel.

**Results**

JVS maintained sufficient internal controls over its business operations.

**Recommendation**

There are no recommendations in this section.

### **FIXED ASSETS**

The objective of this section is to determine whether JVS's fixed assets and equipment purchases made with REP funds are used for the REP program and are safeguarded.

We did not perform test work in this section. JVS did not use REP funding to purchase fixed assets or equipment.

### **PAYROLL AND PERSONNEL**

#### **Objective**

Determine whether payroll is appropriately charged to the program. In addition, determine whether personnel files are maintained as required.

#### **Verification**

We reviewed payroll expenditures for 12 employees during August 2005, totaling \$10,373. We also interviewed staff and reviewed the personnel files of staff assigned to the program.

#### **Results**

The Agency program staff salaries were supported with time cards and charged appropriately to the program. In addition, JVS maintained personnel files in accordance with the County contract.

#### **Recommendation**

**There are no recommendations for this section.**

### **COST ALLOCATION PLAN**

#### **Objective**

Determine whether JVS's Cost Allocation Plan was prepared in compliance with the County contract and applied to program costs.

#### **Verification**

We reviewed JVS's Cost Allocation Plan and reviewed a sample of expenditures incurred by the Agency during August 2005.

**Results**

JVS's Cost Allocation Plan was prepared in compliance with the County contract and costs were appropriately allocated.

**Recommendation**

There are no recommendations for this section.

**PRIOR YEAR FOLLOW-UP****Objective**

To determine the status of the recommendations reported in the prior monitoring report.

**Verification**

We reviewed the status of the three recommendations contained in the most current monitoring report issued in May 2005. In addition, we reviewed the Agency's corrective action plan and financial records to ensure that the findings are resolved and recommendations are implemented.

**Results**

JVS implemented the three recommendations contained in the monitoring report.

**Recommendation**

There are no recommendations in this section.



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May 24, 2006

J. Tyler McCauley  
Los Angeles County Auditor-Controller  
500 W Temple, Room 525  
Los Angeles, CA 90012

Dear Mr. McCauley:

**Contract Review Response**

We have reviewed the report issued by your Department and are in general agreement with no findings and no recommendations.

Thank you for your assistance in this matter.

Sincerely,

Claudia Finkel  
Chief Operating Officer

**Jewish Vocational Service**

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